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SEP 15 1962

TO : Department of State

FROM : Amembassy, SANTIAGO

DATE: September 13, 1962

SUBJECT: Sugar Purchase from Cuba

REF : CERP D-11d

IANSA (Industria Azucarera Nacional, Sociedad Anónima), the sugar beet monopoly in Chile, has concluded a transaction with Cuba for 22,000 metric tons of raw sugar at a price of C&F US\$ 74.84 per metric ton.

According to Sr. Edmundo TORRES of IANSA, 12,000 tons of this sugar is to be handled as barter, the remaining ten thousand to be paid in dollars. However, according to Sr. Juan MERINO of IMASOL, the entire purchase is in dollars. The transaction was arranged through E. D. F. Mann, of London.

The transaction is somewhat anomalous, since recently the Embassy learned that the GOC was pushing IMASOL to import sugar only when tied to the purchase of Chilean products - here we have a Government Agency paying straight dollars. Further, up until last year, IANSA was prohibited by law from importing cane sugar since the reason it was founded was to promote the sugar beet industry in Chile. When the earthquake and tidal wave damaged some IANSA establishments and salted some beet land, IANSA was permitted to import sugar for refining. That, however, was understood to be only a temporary measure. Apparently, they intend to continue.

For the Ambassador,

Joseph B. Tisinger  
First Secretary

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Drafted by: ECO:JBTisinger:jfc

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